

**RFP 08-331**  
**Provider Compensation Subsystem (PCS)**  
**Amendment #6**  
**RFP Schedule Change**  
**And**  
**Bidders Questions and DSHS Answers**

**RFP Schedule Change**

DSHS is providing an additional questions and answer period. The final date for submission of a bidders proposal is also extended by two weeks.

The RFP Schedule in Section 3.3 of the RFP is amended as shown in red in the following Table:

**Table 5: RFP Schedule (All Times Are Pacific Time (PT)) as amended**

<b>Item</b>	<b>Action</b>	<b>Date</b>
1.	DSHS issues RFP Document	11/13/2009
2.	Bidder must submit mandatory Letter of Intent via email by 5:00 pm Pacific Time.	12/14/2009 – 5:00 pm PT
3.	Mandatory pre-proposal conference	12/14/2009
4.	All Bidder questions must be submitted in written format via email by 3:00 p.m. Pacific Time	12/21/2009 – 3:00 pm PT
5.	DSHS will issue responses to Bidder questions	1/8/2010
<b>5a.</b>	<b>Additional Bidder questions must be submitted in written format via email</b>	<b>1/15/2010 – 3:00 pm PT</b>
<b>5b.</b>	<b>DSHS will issue responses to Additional Bidder questions</b>	<b>on or before 1/29/2010</b>
6.	Bidder must submit Proposal by 3:00 p.m. Pacific Time	<del>1/28/2010 – 3:00 pm PT</del> <b>2/11/2010 – 3:00 pm PT</b>
7.	DSHS evaluation of Proposals	<del>2/5/2010 – 3/12/2010</del> <b>2/15/2010 – 3/24/2010</b>
8.	Bidder Demonstrations and Oral Presentations	<del>3/24/2010 – 4/16/2010</del> <b>4/5/2010 – 4/23/2010</b>
9.	DSHS notifies Apparently Successful Bidder (ASB) and begins Agreement negotiations. DSHS also notifies unsuccessful Bidders.	<del>4/19/2010</del> <b>4/26/2010</b>

10.	Bidders may request Debriefing until 5:00 p.m. Pacific Time	No later than two (2) business days after the announcement of ASB
11.	DSHS holds debriefing conferences, if requested	No later than three (3) business days after receipt of request.
12.	Unsuccessful Bidders may submit Protest(s) until 5:00 p.m. Pacific Time	No later than five (5) business days after Bidder's debriefing conference

### Bidders Questions and DSHS Answers

As stated in the RFP document, DSHS will be "... bound only to written answers to questions. Any oral responses given at the Pre-Proposal Conference shall be considered unofficial and are not binding on DSHS..."

The following are the DSHS answers to Bidders questions 113 through 130. This release contains questions asked at both the bidders conference and submitted in writing. DSHS is responding to a total of 130 bidder questions.

Question Number	Question	DSHS Answer
113	<p>Section F.2.3.2 Page 126</p> <p>The RFP states: The system shall convert client responsibility (participation or client copays) to an hourly value for purposes of calculating deductions and including client responsibility in accruals such as cumulative career hours (CCH) and certain paid time off (PTO, e.g. vacation) hours.</p> <p>Since Client Responsibility is applied at the time of Authorization, is it assumed that the Vendor will automatically include those hours when they are Authorized (for CCH and PTO) or is it assumed that the Provider will need to validate for the amount that includes the Client Responsibility in order to get the CCH and PTO credit?</p>	<p>The provider will not validate or otherwise include client responsibility in a claim.</p> <p>Client responsibility (participation or copay) is at the service line level. When a Provider claims against that authorized service (e.g. enters time to render that service), the PCS will automatically deduct client responsibility in the calculation of pay and accruals.</p> <p>Although client responsibility for the claimed service is deducted for calculation of pay, it is included in the calculation of accruals.</p> <p>Bidders should note that client responsibility is not accumulated at time of authorization - it is accumulated at the time of payment. Where appropriate, client responsibility will be included on authorizations, but a provider may not actually provide service for that monthly authorization. The PCS system must know what services have actually been provided before the client responsibility hours are accumulated.</p>

Question Number	Question	DSHS Answer
114	What is the growth Growth that needs to be sized for scalability in terms of users relying on the provided solution?	<p>The PCS solution must accommodate up to 400 concurrent internal State users during normal business hours.</p> <p>Scalability of the PCS solution, in terms of individual provider users, is a major consideration for DSHS. As noted in Section 1.1.2.1, at go-live there are approximately 32,900 individual providers planned to receive payments via the PCS. Over the life of the Agreement, a number of additional provider groups are expected to migrate from DSHS legacy systems to the PCS. DSHS assumes that the PCS solution will be flexible and scalable to easily accommodate additional provider populations.</p> <p>There are specific service level agreements (SLAs) for both application and services indicated in the PCS Model Contract (posted on the DSHS procurement site), Exhibit C – Performance Standards and Liquidated Damages.</p>
115	<p>General</p> <p>Are all Providers FLSA eligible or does the exemption status vary by some grouping or other designation?</p>	<p>Eligibility for overtime is subject to collective bargaining. Presently, Individual Providers covered under the CBA with SEIU 775NW do not receive overtime pay and the current method of time capture does not support an overtime calculation. However, Bidders should be aware that the overtime calculation is currently a component of other DSHS CBAs and DSHS requires a PCS solution with the flexibility to capture time and calculate overtime pay.</p>
116	<p>Section 3.8 Page 46</p> <p>We understand that questions regarding the RFP will only be accepted until December 21. Will clarification questions on any responses given to these questions be accepted after this deadline?</p>	<p>DSHS has elected to extend the PCS proposal due date and provide an additional question and answer period. The PCS procurement activities and schedule (RFP Section 3: RFP Schedule) is now modified to include:</p> <ul style="list-style-type: none"> <li>• Bidders may submit additional questions to the PCS Procurement Coordinator. Bidder questions must be received by the PCS Procurement Coordinator no later than Friday, January 15., 2010.</li> <li>• The final set of answers to Bidder questions will be published to the procurement web-site no later than Friday, January 29.</li> <li>• The due date for Bidder proposals is extended from Thursday, January 28, 2010 to Thursday, February 11, 2010.</li> </ul>

Question Number	Question	DSHS Answer
117	<p>Will DSHS provide a secondary question and response session following the responses to the current Q&amp;A cycle (Questions from bidders conference and questions being submitted today). Given the scope clarifications in the bidder's conference and further clarifications expected from the Q&amp;A responses we believe this will improve requirement clarity.</p>	<p>DSHS has elected to extend the PCS proposal due date and provide an additional question and answer period. The PCS procurement activities and schedule (RFP Section 3: RFP Schedule) is now modified to include:</p> <ul style="list-style-type: none"> <li>• Bidders may submit additional questions to the PCS Procurement Coordinator. Bidder questions must be received by the PCS Procurement Coordinator no later than Friday, January 15,, 2010.</li> <li>• The final set of answers to Bidder questions will be published to the procurement web-site no later than Friday, January 29.</li> <li>• The due date for Bidder proposals is extended from Thursday, January 28, 2010 to Thursday, February 11, 2010.</li> </ul>
118	<p>General, Questions &amp; Answers</p> <p>Would the agency be willing to do two things related to the Q&amp;A period:</p> <ul style="list-style-type: none"> <li>• Would the agency be willing to extend the Q&amp;A period so that we have adequate time to prepare additional clarifying questions based upon information received in both prior questions and the information received at the pre-proposal conference?</li> <li>• Would the agency be willing to have multiple iterations of Q&amp;A? This will provide us the opportunity to ask clarifying questions based upon agency responses. Without this, we may not be able to provide a proposal that aligns to agency requirements (clarified in the responses).</li> </ul>	<p>DSHS has elected to extend the PCS proposal due date and provide an additional question and answer period. The PCS procurement activities and schedule (RFP Section 3: RFP Schedule) is now modified to include:</p> <ul style="list-style-type: none"> <li>• Bidders may submit additional questions to the PCS Procurement Coordinator. Bidder questions must be received by the PCS Procurement Coordinator no later than Friday, January 15,, 2010.</li> <li>• The final set of answers to Bidder questions will be published to the procurement web-site no later than Friday, January 29.</li> <li>• The due date for Bidder proposals is extended from Thursday, January 28, 2010 to Thursday, February 11, 2010.</li> </ul>

Question Number	Question	DSHS Answer
119	<p>General</p> <p>What (if any) additional opportunity there will be for vendors to refine their understanding of the desired solution? For example, the primary interface of this system will be to the ProviderOne system, but there are at least 47 additional interfaces required. Getting a better understanding of all of those would be helpful.</p>	<p>DSHS has elected to extend the PCS proposal due date and provide an additional question and answer period. The PCS procurement activities and schedule (RFP Section 3: RFP Schedule) is now modified to include:</p> <ul style="list-style-type: none"> <li>• Bidders may submit additional questions to the PCS Procurement Coordinator. Bidder questions must be received by the PCS Procurement Coordinator no later than Friday, January 15,, 2010.</li> <li>• The final set of answers to Bidder questions will be published to the procurement web-site no later than Friday, January 29.</li> <li>• The due date for Bidder proposals is extended from Thursday, January 28, 2010 to Thursday, February 11, 2010.</li> </ul>
120	<p>Will DSHS grant a response extension until 5:00 PM PST March 15th, 2010 to enable thorough best practice recommendations for the DSHS and to ensure a complete solution delivery for RFP response?</p>	<p>DSHS has elected to extend the PCS proposal due date and provide an additional question and answer period. The PCS procurement activities and schedule (RFP Section 3: RFP Schedule) is now modified to include:</p> <ul style="list-style-type: none"> <li>• Bidders may submit additional questions to the PCS Procurement Coordinator. Bidder questions must be received by the PCS Procurement Coordinator no later than Friday, January 15,, 2010.</li> <li>• The final set of answers to Bidder questions will be published to the procurement web-site no later than Friday, January 29.</li> <li>• The due date for Bidder proposals is extended from Thursday, January 28, 2010 to Thursday, February 11, 2010.</li> </ul>

Question Number	Question	DSHS Answer
121	<p>General, Due Date</p> <p>Would the agency extend the due date of the response? We propose a 30 day extension for consideration by the agency. Primary rational from the vendor perspective for asking include:</p> <ul style="list-style-type: none"> <li>• This is a highly complex, mission-critical bid with a number of both technical and business considerations. Timing relative to final Answer submittal by the agency (1/8/2010) may impact ability to adequately address these in the final bid.</li> <li>• This bid is closely tied to ProviderOne timeline and success. Additional time is needed to fully understand the project relationships to insure this is a success for the agency.</li> </ul> <p>There are a number of risks inherent in this bid (e.g. tie to ProviderOne) in combination with aligning the correct ASP model for the agency. Because of this, vendors have a number of internal gates to pass in order to insure we can bid and our solution is the correct fit from both a solution and cost perspective. The current time allotted may not provide adequate time to insure both agency risk and vendor risk is mitigated properly.</p>	<p>DSHS has elected to extend the PCS proposal due date and provide an additional question and answer period. The PCS procurement activities and schedule (RFP Section 3: RFP Schedule) is now modified to include:</p> <ul style="list-style-type: none"> <li>• Bidders may submit additional questions to the PCS Procurement Coordinator. Bidder questions must be received by the PCS Procurement Coordinator no later than Friday, January 15,, 2010.</li> <li>• The final set of answers to Bidder questions will be published to the procurement web-site no later than Friday, January 29.</li> <li>• The due date for Bidder proposals is extended from Thursday, January 28, 2010 to Thursday, February 11, 2010.</li> </ul>

Question Number	Question	DSHS Answer
122	<p>My understanding of the main goal of PCS was that the state AFRS system and others wanted to rid themselves of all the providers submitting individual invoices and that this new PCS would be the employer of record etc.</p> <p>Is there a limitation that makes the state need to distribute the funds?</p>	<p>A number of payment disbursement options for the PCS were analyzed and evaluated. The Revised Code of Washington (RCW) requires that the disbursement of state funds be performed by the Office of the State Treasurer (OST).</p> <p>DSHS understands that the PCS is not a ‘typical’ payroll system, whereby the vendor will make direct payment. The PCS is a system, with support services, that can perform the necessary payroll functions and then utilize existing state infrastructure to disburse funds to providers.</p> <p>Bidders are encouraged to provide a detailed response to RFP requirement 7.8.5 - Bidder’s Alternative Pricing Approach.</p>
123	<p>That is a different process than a lot of the common payroll systems.</p>	<p>A number of payment disbursement options for the PCS were analyzed and evaluated. The Revised Code of Washington (RCW) requires that the disbursement of state funds be performed by the Office of the State Treasurer (OST).</p> <p>DSHS understands that the PCS is not a ‘typical’ payroll system, whereby the vendor will make direct payment. The PCS is a system, with support services, that can perform the necessary payroll functions and then utilize existing state infrastructure to disburse funds to providers.</p> <p>Bidders are encouraged to provide a detailed response to RFP requirement 7.8.5 - Bidder’s Alternative Pricing Approach.</p>
124	<p>Typically float is a consideration for payroll companies. The PCS approach would not have this, how does the state intend to compensate the PCS vendor?</p> <p>Is DSHS willing to pay a much higher per check cost that would be processed at payroll and send the data feed back to the state and have the funds handled solely by the state?</p>	<p>A number of payment disbursement options for the PCS were analyzed and evaluated. The Revised Code of Washington (RCW) requires that the disbursement of state funds be performed by the Office of the State Treasurer (OST).</p> <p>DSHS understands that the PCS is not a ‘typical’ payroll system, whereby the vendor will make direct payment. The PCS is a system, with support services, that can perform the necessary payroll functions and then utilize existing state infrastructure to disburse funds to providers.</p> <p>Bidders are encouraged to provide a detailed response to RFP requirement 7.8.5 - Bidder’s Alternative Pricing Approach.</p>

Question Number	Question	DSHS Answer
125	Why are you not changing the law so that you can do it like a regular payroll system? Also requesting to see our AG decisions on this subject.	<p>At this time there will be no change to the RCW.</p> <p>A number of payment disbursement options for the PCS were analyzed and evaluated. The Revised Code of Washington (RCW) requires that the disbursement of state funds be performed by the Office of the State Treasurer (OST).</p> <p>DSHS understands that the PCS is not a ‘typical’ payroll system, whereby the vendor will make direct payment. The PCS is a system, with support services, that can perform the necessary payroll functions and then utilize existing state infrastructure to disburse funds to providers.</p> <p>Bidders are encouraged to provide a detailed response to RFP requirement 7.8.5 - Bidder’s Alternative Pricing Approach</p>
126	It is our understanding from the pre-bid conference that DSHS seeks to avoid all payments to the awarded vendor until go-live. Will DSHS consider alternative payments schedules such as a milestone plan with reasonable milestones?	<p>DSHS payment for Bidder’s DDI costs are planned to occur as amortized equal monthly payments following go-live and during the base operations and maintenance period. Bidder cost proposals will be evaluated based on the instructions and criteria specified in the RFP. Failure to provide an adequate answer to any such section that requests information or solicits an answer may cause the proposal to be deemed non-responsive and be disqualified from the evaluation process.</p> <p>Bidders are encouraged to provide a detailed response to RFP requirement 7.8.5 - Bidder’s Alternative Pricing Approach.</p>
127	Cost related to the DDI and whether that is reimbursed?	<p>DSHS payment for Bidder’s DDI costs are planned to occur as amortized equal monthly payments following go-live and during the base operations and maintenance period. Bidder cost proposals will be evaluated based on the instructions and criteria specified in the RFP. Failure to provide an adequate answer to any such section that requests information or solicits an answer may cause the proposal to be deemed non-responsive and be disqualified from the evaluation process.</p> <p>Bidders are encouraged to provide a detailed response to RFP requirement 7.8.5 - Bidder’s Alternative Pricing Approach.</p>



Question Number	Question	DSHS Answer
128	Has there been any talk of front loading that amortization?	<p>DSHS payment for Bidder's DDI costs are planned to occur as amortized equal monthly payments following go-live and during the base operations and maintenance period. Bidder cost proposals will be evaluated based on the instructions and criteria specified in the RFP. Failure to provide an adequate answer to any such section that requests information or solicits an answer may cause the proposal to be deemed non-responsive and be disqualified from the evaluation process.</p> <p>Bidders are encouraged to provide a detailed response to RFP requirement 7.8.5 - Bidder's Alternative Pricing Approach.</p>
129	Will DSHS accept a proposal that is a Fixed Fee Design proposal with a bounded estimated Implementation and go live to be fixed post Design phase?	<p>DSHS payment for Bidder's DDI costs are planned to occur as amortized equal monthly payments following go-live and during the base operations and maintenance period. Bidder cost proposals will be evaluated based on the instructions and criteria specified in the RFP. Failure to provide an adequate answer to any such section that requests information or solicits an answer may cause the proposal to be deemed non-responsive and be disqualified from the evaluation process.</p> <p>Bidders are encouraged to provide a detailed response to RFP requirement 7.8.5 - Bidder's Alternative Pricing Approach.</p>
130	<p>General</p> <p>Is DSHS open to a fee structure that may not be level over the 53-month term?</p>	<p>DSHS payment for Bidder's DDI costs are planned to occur as amortized equal monthly payments following go-live and during the base operations and maintenance period. Bidder cost proposals will be evaluated based on the instructions and criteria specified in the RFP. Failure to provide an adequate answer to any such section that requests information or solicits an answer may cause the proposal to be deemed non-responsive and be disqualified from the evaluation process.</p> <p>Bidders are encouraged to provide a detailed response to RFP requirement 7.8.5 - Bidder's Alternative Pricing Approach.</p>